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COMPANY INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

MR. OMER BAIG

MANAGING DIRECTOR

MR. TARIQ BAIG

MRS. NAIMA SHAHNAZ BAIG
MR. MANSOOR IRFANI
MR. AKBAR BAIG
MR. DAVID JULIAN
MR. NAEEM NAZIR

COMPANY SECRETARY

MR. MOHSIN ALI

HUMAN RESOURCE & REMUNERATION COMMITTEE

MR. MANSOOR IRFANI
MR. TARIQ BAIG
MR. NAEEM NAZIR

CHAIRMAN
MEMBER
MEMBER

AUDIT COMMITTEE

MR. NAEEM NAZIR
MR. OMER BAIG
MR. DAVID JULIAN

CHAIRMAN
MEMBER
MEMBER

AUDITORS

KPMG TASEER HADI & CO.
CHARTERED ACCOUNTANTS

LEGAL ADVISOR

KASURI AND ASSOCIATES
LAHORE

TAX CONSULTANTS

YOUSAF ISLAM ASSOCIATES
LAHORE

INFORMATION TECHNOLOGY CONSULTANTS

CHARTAC BUSINESS SERVICES (PVT) LTD.
LAHORE

BANKERS

NATIONAL BANK OF PAKISTAN
HABIB BANK LTD
UNITED BANK LTD
THE BANK OF PUNJAB
MCB BANK LTD
THE BANK OF KHYBER
ASKARI BANK LTD

BANK ALFALAH LTD
FAYSAL BANK LTD
SINDH BANK LTD
BANKISLAMI PAKISTAN LTD
NIB BANK LTD
SAMBA BANK LTD
ALBARAKA BANK (PAK) LTD

SHARES REGISTRAR

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Suite No. 31, 2nd Floor, Sadiq Plaza,
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Ph: 042 - 36280067, Fax: 042 - 36280068
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DIRECTORS' REPORT

The Directors of Tariq Glass Industries Limited take pleasure in presenting the review report together with the un-audited financial statements of the Company for the first quarter ended September 30, 2014.

Operational & Financial Performance

The widening demand and supply imbalance of gas is stinging vigorously the industrial sector in Pakistan and in particular the Glass Industry. The Glass Industry is one of the very few who are giving tough time to the imported products and playing a vital role not only in saving but earning the foreign exchange by exporting the glass products to Middle East, Central Asia, the Sub Continent and Africa. However, the rising cost of production due to the absence of gas and use of expensive alternates have affected the expected profitability.

The operational results of your company for the quarter under report reflect a marked improvement with increase in Net Sales by 34% versus increase of only 21% in Cost of Sales as compared to the results of corresponding period of the last financial year. Resultantly the Gross Profit and EPS for the first quarter have risen to 23% & Rs. 2.24 as compared to 15% & Rs. 0.94 respectively of the corresponding period of the last financial year. This is indicative of the efforts made towards increasing capacity utilization to get benefit of economies of scale coupled with the effective market positioning of float glass products.

A comparative summary of the financial results for the period ended September 30, 2014 is as follows:

	(Million Rupees)	
	For the quarter ended September 30	
	FY 2014-2015	FY 2013-2014
Sales – Net	2,054	1,537
Gross Profit	473	229
Profit Before Taxation	167	81
Profit After Taxation	164	65
Earnings per share – basic - Rupees	2.24	0.94
Earnings per share – diluted - Rupees	2.24	0.89

Future Outlook

The Sui Gas shut down spans may elongate in the upcoming winter and the shareholders must consider that this phenomenon will affect the cost of production of the approaching quarter. In order to keep the furnaces' production alive we will be forced to use furnace oil, diesel and LPG albeit at much higher costs. The profitability of the accosting quarter will also be affected due to the closure of one of the tableware producing furnaces which is in the phase of major rebuild. After repair it will again be recommissioned for commercial production by the end of December this year. It is anticipated that the prices of float glass products will remain stable and support the profitability even because of the probable impact of above enumerated factors.

The value addition is opening new horizons and market segments for penetration in the local as well as international markets. Your Company is endeavoring to capture the tableware export potential by having a combination of product mix i.e, Goblets, Light Weight Tumblers and state of the art Eight Colour Printed Range.

Despite the political and law & order unrest in the country, the Management of the Company has optimistic view of the future that economic activities will flourish. The Company remains committed to the interest of all stake holders by focusing on exploration of new market segments both locally and internationally to enhance the products offering thereby creating more demand for the float and tableware products. With profound gratitude to the blessings of Allah Almighty, the Company remains on its way to success.

For and on behalf of the Board

OMER BAIG
CHAIRMAN

Lahore: October 31, 2014



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

	(Un-audited) 30 September 2014 Rupees	(Audited) 30 June 2014 Rupees
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized capital		
100,000,000 ordinary shares of Rs. 10 each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid up capital		
73,458,000 ordinary shares of Rs. 10 each	734,580,000	734,580,000
Share premium	410,116,932	410,116,932
Equity portion of shareholders loan	263,265,125	260,869,343
Un-appropriated profit	<u>1,149,024,361</u>	<u>984,679,146</u>
	2,556,986,418	2,390,245,421
Surplus on revaluation of land	<u>355,002,638</u>	<u>355,002,638</u>
	<u>2,911,989,056</u>	<u>2,745,248,059</u>
NON - CURRENT LIABILITIES		
Long term finances		
- Secured	820,879,980	921,846,042
- Unsecured	599,195,839	545,591,621
	1,420,075,819	1,467,437,663
Liabilities against assets subject to finance lease	37,819,863	40,612,439
Long term deposits	254,539,437	258,969,877
Deferred taxation	10,646,062	8,082,908
	1,723,081,181	1,775,102,887
CURRENT LIABILITIES		
Trade and other payables	666,899,963	803,490,749
Accrued markup	90,779,202	81,274,471
Short term borrowings - secured	1,917,274,863	1,843,437,453
Current maturity of long term finances	344,031,127	337,188,282
Provision for taxation	3,838,970	3,838,970
	3,022,824,125	3,069,229,925
CONTINGENCIES AND COMMITMENTS		
	-	-
	<u>7,657,894,362</u>	<u>7,589,580,871</u>

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.



AS AT 30 SEPTEMBER 2014

	(Un-audited) 30 September 2014 Rupees	(Audited) 30 June 2014 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	4,348,756,269	4,462,032,583
Long term security deposits	50,178,595	49,360,695
CURRENT ASSETS		
Stores and spares	757,498,900	741,254,823
Stock in trade	1,398,446,821	1,228,917,839
Trade debts - considered good	750,866,369	700,211,723
Advances, deposits, prepayments and other receivables	305,658,370	277,663,688
Cash and bank balances	46,489,038	130,139,520
	3,258,959,498	3,078,187,593

7,657,894,362

7,589,580,871

**TARIQ BAIG
MANAGING DIRECTOR**



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	Rupees	Rupees
Sales - net	2,054,397,722	1,537,474,522
Cost of sales	(1,581,840,814)	(1,308,956,735)
Gross profit	472,556,908	228,517,787
Operating expenses		
Administration	(29,382,049)	(26,119,677)
Selling and distribution	(170,044,236)	(94,630,842)
	(199,426,285)	(120,750,519)
	273,130,623	107,767,268
Other operating income	2,137,287	1,777,963
Operating profit	275,267,910	109,545,231
Finance cost	(99,687,379)	(24,591,368)
Other expenses	(8,672,162)	(4,158,795)
Profit before taxation	166,908,369	80,795,068
Provision for taxation	(2,563,154)	(15,374,745)
Profit after taxation	164,345,215	65,420,323
Earnings per share - basic	2.24	0.94
Earnings per share - diluted	2.24	0.89

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	30 September 2014	30 September 2013
	Rupees	Rupees
Profit after taxation	164,345,215	65,420,323
Other Comprehensive Income	-	-
Total Comprehensive Income for the Period	<u>164,345,215</u>	<u>65,420,323</u>

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	30 September 2014	30 September 2013
	Rupees	Rupees
Cash flows from operating activities		
Profit before taxation	166,908,369	80,795,068
Adjustments for :		
Depreciation	119,476,984	112,504,176
(Profit) on disposal of property, plant and equipment	(1,021,309)	(1,392,701)
Finance cost	99,687,379	24,591,368
Provision for Workers' profit participation fund	8,672,162	4,158,795
Ijara rentals	11,654,248	10,074,944
	238,469,464	149,936,582
Operating profit before working capital changes	405,377,833	230,731,650
Changes in:		
Stores and spares	(16,244,077)	110,469,713
Advances, deposits, prepayments and other receivables	92,366,059	(82,278,575)
Stock in trade	(169,528,982)	(306,331,907)
Trade debtors	(50,654,646)	(125,685,195)
Trade and other payables	(145,262,948)	32,760,275
	(289,324,594)	371,065,689
Cash generated / (used) in operating activities	116,053,239	(140,334,039)
Finance cost paid	(90,182,648)	(23,302,503)
Ijara rentals paid	(11,654,248)	(10,074,944)
Income tax paid	(120,360,741)	(1,721,819)
	(222,197,637)	(35,099,266)
Net cash used in operating activities	(106,144,398)	(175,433,305)
Cash flows from investing activities		
Fixed capital expenditure	(8,079,359)	(163,787,269)
Proceeds from sale of property, plant and equipment	2,900,000	2,200,000
Long term deposits	(817,900)	(19,023)
Net cash used in investing activities	(5,997,259)	(161,606,292)
Cash flows from financing activities		
Long term finances	(40,915,795)	152,478,506
Short term borrowings	73,837,410	321,803,644
Long term deposits	(4,430,440)	(11,000,000)
Net cash generated from financing activities	28,491,175	463,282,150
Net increase/(decrease) in cash and cash equivalents	(83,650,482)	126,242,553
Cash and cash equivalents at the beginning of the period	130,139,520	67,110,423
Cash and cash equivalents at the end of the period	46,489,038	193,352,976

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	Share capital Rupees	Share premium Rupees	Equity portion of shareholders loan Rupees	Un-appropriated profit Rupees	Total Rupees
Balance as at 30 June 2013	693,000,000	263,697,120	244,169,568	968,191,016	2,169,057,704
Total comprehensive income for the quarter ended 30 September 2013	-	-	-	65,420,323	65,420,323
Equity portion of shareholders loan received during the quarter	-	-	55,753,658	-	55,753,658
Notional interest on shareholders loan	-	-	(43,860,615)	-	(43,860,615)
Balance as at 30 September 2013	693,000,000	263,697,120	256,062,611	1,033,611,339	2,246,371,070
Issue of shares for consideration other than cash	41,580,000	146,419,812			187,999,812
Total comprehensive income for the period ended 30 June 2014	-	-		(48,932,193)	(48,932,193)
Equity portion of shareholders loan received period ended 30 June 2014	-	-	12,954,138	-	12,954,138
Notional interest on shareholders loan	-	-	(8,147,406)	-	(8,147,406)
Balance as at 30 June 2014	734,580,000	410,116,932	260,869,343	984,679,146	2,390,245,421
Total comprehensive income for the quarter ended 30 September 2014	-	-		164,345,215	164,345,215
Equity portion of shareholders loan received during quarter ended 30 September 2014	-	-	19,293,872	-	19,293,872
Notional interest on shareholders loan	-	-	(16,898,090)	-	(16,898,090)
Balance as at 30 September 2014	734,580,000	410,116,932	263,265,125	1,149,024,361	2,556,966,418

The annexed notes 1 to 6 form an integral part of this condensed interim financial information.

Lahore: October 31, 2014

OMER BAIG
CHAIRMAN

TARIQ BAIG
MANAGING DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2014

1. This condensed interim financial information is un-audited and is being submitted to the shareholders in accordance with the section 245 of the Companies Ordinance, 1984 and prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting" as applicable in Pakistan.

The condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 30 June 2014.

2. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding Audited Financial Statements for the year ended 30 June 2014.
3. There is no significant change in the contingencies and commitments status since the last annual balance sheet date.
4. The Board of Directors of the Company in their meeting held on 01 October 2014 recommended final cash dividend at the rate of 5% (i.e. Rs. 0.50 per share), for the year ended 30 June 2014. It has been approved by the shareholders of the Company in Annual General Meeting held on 29 October 2014. However, no provision has been made in this condensed interim financial information as the dividend is approved subsequent to the period of this condensed interim financial information.
5. Figures have been rounded off to the nearest rupee.
6. This condensed interim financial information is authorized for issue by the Board of Directors on 31 October 2014.



TARIQ GLASS INDUSTRIES LTD.



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